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7 Attorneys for Alan Gomperts, Daniel Halevy,
Susan Halevy, Individual Debtors and Debtors in
8 Possession
9

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**
12

13 In re:
14 SEATON INVESTMENTS, LLC, *et al.*,
15
16 Debtors and Debtors In
Possession.

- 17 ☐ Affects All Debtors.
18 ☐ Affects Seaton Investments, LLC
19 ☐ Affects Colyton Investments, LLC
20 ☐ Affects Broadway Avenue Investments, LLC
21 ☐ Affects SLA Investments, LLC
22 ☐ Affects Negev Investments, LLC
23 ☒ Affects Alan Gomperts
24 ☒ Affects Daniel Halevy
25 ☒ Affects Susan Halevy
26
27
28

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ and
2:24-bk-12076-VZ

Chapter 11

**DECLARATION OF ZEV
SHECHTMAN REGARDING CASH
COLLATERAL REQUEST**

Hearing:

Date: June 20, 2024
Time: 11:00 a.m.
Courtroom: 1368
255 East Temple St.
Los Angeles, CA 90012

SAUL EWING LLP
1888 CENTURY PARK EAST, SUITE 1500
LOS ANGELES, CALIFORNIA 90067
(310) 255-6100

1 I, Zev Shechtman, hereby declare as follows:

2 1. I am counsel to individual debtors Alan Gomperts, Daniel Halevy and Susan Halevy
3 (the “Individual Debtors”) in the above-captioned cases.

4 2. I make the following declaration pursuant to the June 7, 2024 order of this Court
5 [D.I. 91] shortening time for the hearing on the *Motion by Affected Debtors for Entry of an Order*
6 *Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. Section 363(c)(2)* [D.I. 87] filed on June
7 7, 2024 (the “Cash Collateral Motion”).

8 3. I make this declaration based on my personal knowledge, except that certain facts
9 are stated based on my information and belief.

10 4. On March 18, 2023 (the “Petition Date”), the above-captioned related parties, as
11 debtors and debtors in possession (collectively the “Debtors”), filed voluntary petitions for relief
12 under chapter 11 of the United States Code (the “Bankruptcy Code”).

13 5. The Debtors’ cases are jointly administered. The Debtors continue to operate their
14 businesses as debtors in possession pursuant to section 1107 of the Bankruptcy Code.

15 6. The company Debtors are real estate investment and development entities, and the
16 Individual Debtors are guarantors of certain debts owed by the entities.

17 7. Issues surrounding the repayment of the guaranteed debts necessitated the filing of
18 these bankruptcy cases.

19 8. The Debtors intend to propose a joint plan for full payment of all debts over time,
20 with interest.

21 9. I am informed and believe that the Debtors collectively have sufficient assets and
22 income to pay on a restructured full-payment plan.

23 10. The company Debtors are the principal obligors on the debts the Debtors intend to
24 restructure in this bankruptcy.

25 11. Soon after the case was filed, I learned that Archway had filed a UCC-1 financing
26 statements against Daniel Halevy. However, I believe that a UCC-1 filing is legally ineffective to
27 create a perfected security interest in real estate rents, or the proceeds of rents.

28 12. After the Petition Date, I became aware that Archway has liens on certain rental

1 properties of the Individual Debtors, as described in the Cash Collateral Motion. Daniel Halevy
2 does not own any rental property and has no need for cash collateral authorization.

3 13. Alan Gomperts and Susan Halevy seek authorization to continue to use cash
4 collateral as they did prepetition: first to pay the monthly payments on each applicable mortgage,
5 then for necessary upkeep and maintenance for the properties secured by the mortgages.

6 14. Upon learning of these Archway liens, I coordinated with counsel for the company
7 Debtors in attempting to discuss all open issues with Archway's counsel in an effort to obtain
8 Archway's consent.

9 15. I believe that the Debtors are making progress with respect to obtaining Archway's
10 consent to use cash collateral.

11 16. On May 9, 2024, I was contacted by Todd Garan, counsel for Wells Fargo Bank
12 N.A., a secured mortgage creditor on several rental properties owned by Alan Gomperts and Susan
13 Halevy.

14 17. I and my colleague Turner Falk corresponded repeatedly with Mr. Garan, and both
15 sides were in agreement that the ordinary-course debt payment and maintenance expenses to be paid
16 from Wells Fargo's cash collateral were proper, subject to Mr. Garan's review of a proposed budget.

17 18. On or about May 22, 2024, Mr. Garan offered to prepare an agreed stipulation
18 authorizing the use of Wells Fargo's cash collateral. However, we did not receive a draft of such
19 stipulation until June 14, 2024.

20 19. We remain engaged in negotiations with Mr. Garan to consensually resolve his
21 client's concerns.

22 20. The other creditors secured by rental properties – Chase Bank and First Foundation
23 Bank – are creditors of Susan Halevy. These banks were served notice of the case but have not
24 contacted Debtors' counsel or otherwise indicated any objection to the use of rents to pay towards
25 their debts in the ordinary course, or for necessary maintenance.

26 21. The bank creditors secured by rental properties owned by the Individual Debtors are
27 oversecured, with equity cushions adequately protecting their liens that run into the hundreds of
28 thousands or millions of dollars. The Individual Debtors are keeping current on these mortgages,

1 so the likelihood of these creditors suffering any diminution in value is very low at most.

2 22. The proposed use of cash collateral for the secured creditors of the Individual Debtors
3 aside from Archway is to pay the ordinary monthly mortgage payments, pay taxes and insurance on
4 the applicable properties and perform ordinary upkeep on these properties to preserve their value.

5 23. In sum, the delay in seeking authority for the Individual Debtors to use cash collateral
6 is the result of the undersigned counsel's inadvertent error. We are seeking to negotiate consensual
7 use of cash collateral.

8
9 I declare under penalty of perjury that, to the best of my knowledge and after reasonable
10 inquiry, the foregoing is true and correct.

11 DATED: June 18, 2024

/s/ Zev Shechtman
ZEV SHECHTMAN

SAUL EWING LLP
1888 CENTURY PARK EAST, SUITE 1500
LOS ANGELES, CALIFORNIA 90067
(310) 255-6100

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding.
My business address is:

Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, CA 90067

A true and correct copy of the document entitled: **DECLARATION OF ZEV SHECHTMAN REGARDING CASH COLLATERAL REQUEST** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **June 18, 2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Tanya Behnam on behalf of Creditor Korth Direct Mortgage Inc.
tbehnam@polsinelli.com,
tanyabehnam@gmail.com;ccripe@polsinelli.com;ladocting@polsinelli.com

Carol Chow on behalf of Debtor Alan Gomperts
Carol.Chow@saul.com, easter.santamaria@saul.com

Carol Chow on behalf of Debtor Daniel Halevy
Carol.Chow@saul.com, easter.santamaria@saul.com

Carol Chow on behalf of Debtor Susan Halevy
Carol.Chow@saul.com, easter.santamaria@saul.com

Turner Falk on behalf of Debtor Alan Gomperts
turner.falk@saul.com, tnfolk@recap.email

Turner Falk on behalf of Debtor Daniel Halevy
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Turner Falk on behalf of Debtor Susan Halevy
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Michael G Fletcher on behalf of Creditor Archway Real Estate Income Fund I SPE I, LLC
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Michael G Fletcher on behalf of Creditor Archway real estate income fund
mfletcher@frandzel.com, sking@frandzel.com

Todd S. Garan on behalf of Creditor Wells Fargo National Bank West
ch11ecf@aldridgepite.com, TSG@ecf.inforuptcy.com;tgaran@aldridgepite.com

Todd S. Garan on behalf of Interested Party Courtesy NEF
ch11ecf@aldridgepite.com, TSG@ecf.inforuptcy.com;tgaran@aldridgepite.com

Jacqueline L James on behalf of Creditor Harvest Small Business Finance, LLC

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(310) 255-6100

1 jjames@hrhlaw.com

2 Jacqueline L James on behalf of Interested Party Harvest Small Business Finance, LLC
jjames@hrhlaw.com

3 Kelly L Morrison on behalf of U.S. Trustee United States Trustee (LA)
4 kelly.l.morrison@usdoj.gov,
dare.law@usdoj.gov,noreen.madoyan@usdoj.gov,david.s.shevitz@usdoj.gov

5 Avi Edward Muhtar on behalf of Interested Party Avi Muhtar
6 amuhtar@crowndandstonelaw.com

7 Bruce D Poltrock on behalf of Creditor Archway Real Estate Income Fund I SPE I, LLC
bpoltrock@frandzel.com, achase@frandzel.com

8 Zev Shechtman on behalf of Debtor Alan Gomperts
9 Zev.Shechtman@saul.com, zshechtman@ecf.inforuptcy.com;easter.santamaria@saul.com

10 Zev Shechtman on behalf of Debtor Daniel Halevy
11 Zev.Shechtman@saul.com, zshechtman@ecf.inforuptcy.com;easter.santamaria@saul.com

12 Zev Shechtman on behalf of Debtor Susan Halevy
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14 Derrick Talerico on behalf of Debtor Broadway Avenue Investments, LLC
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16 Derrick Talerico on behalf of Debtor Colyton Investments, LLC
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18 Derrick Talerico on behalf of Debtor Negev Investments, LLC
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20 Derrick Talerico on behalf of Debtor SLA Investments, LLC
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22 Derrick Talerico on behalf of Debtor Seaton Investments, LLC
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24 United States Trustee (LA)
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26 Gerrick Warrington on behalf of Creditor Archway Real Estate Income Fund I SPE I, LLC
27 gwarrington@frandzel.com, achase@frandzel.com

28 Gerrick Warrington on behalf of Creditor Archway real estate income fund
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Jennifer C Wong on behalf of Interested Party Courtesy NEF
bknotice@mccarthyholthus.com, jwong@ecf.courtdrive.com

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL:**

On (date), I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to

F.R.Civ.P. 5 and/or controlling LBR, on **June 18, 2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

BY PERSONAL DELIVERY


Hon. Vincent P. Zurzolo
U.S. Bankruptcy Court
Roybal Federal Building
255 E. Temple Street, Bin outside of Suite 1360
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 18, 2024
Date

Easter A. Santa Maria
Printed Name


Signature